AGLC
Alberta Gaming and Liquor Commission
An Agent of the Government of Alberta

business PLAN [2013/2016]

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MEASURING PERFORMANCE

The AGLC contracts an independent professional survey company each year to conduct public opinion and client satisfaction surveys on its behalf. The sampling method employed ensures the margin of error on all surveys is within the Government of Alberta standard of +/- 5.0 per cent. The AGLC uses these surveys and internal databases to assess its performance each year.

THE AGLC

The Alberta Gaming and Liquor Commission (AGLC) is a crown commercial enterprise and an agent of the Government of Alberta. Our structure includes:

- A Board consisting of seven members and the President and Chief Executive Officer (ex-officio) that reports through the Chairperson to the President of Treasury Board and the Minister of Finance; and
- A corporation consisting of six divisions that report to the President and Chief Executive Officer and manage the day-to-day operations of the organization.

The Board develops policy, conducts hearings, and makes licensing and registration decisions to ensure that Alberta's liquor and gaming industries are effectively regulated and well managed to benefit the people of the province. The AGLC's role is to administer the *Gaming and Liquor Act*, Regulation and related policy and to regulate Alberta's charitable gaming model and conduct and manage provincial gaming activities. The AGLC also controls the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta.

The heart of the AGLC is our employees. We are committed to supporting our employees' ability to achieve business plan goals by creating an environment where employees are able to actively identify, lead and implement change.

We are also committed to proactively addressing emerging human resource trends, providing our employees with opportunities for continuous learning and the ability to develop a healthy balance between their professional commitments and their personal lives.

We conduct environmental scans to understand global, North American, Canadian, and Albertan trends and issues affecting the gaming and liquor industries. With this knowledge in addition to regular risk assessments, cross-jurisdictional reviews, and consultation with stakeholders, our employees anticipate environmental changes and their impacts, leading to the implementation of best practices. This supports our ability to deliver programs and services to Albertans which reflect our values of foresight, accountability, integrity, and respect.

Our vision is to ensure gaming and liquor sustainability for Alberta and our mission is to provide and protect Albertans' choices.

A more detailed description of the AGLC can be found at aglc.ca.

HOW ALBERTANS BENEFIT FROM WHAT WE DO

Over $2.1 billion expected to be provided to the Government of Alberta in 2013-14

- Revenue from liquor and licensing operations is provided to the General Revenue Fund to benefit Albertans. In 2013-14, over $708 million is anticipated to be provided to the Fund. This fund supports many government programs and services that benefit Albertans.
- The government's share of net revenues from provincial gaming (Video Lottery Terminals, slot machines, electronic bingo and ticket lotteries) is transferred to the Alberta Lottery Fund. In 2013-14, it is anticipated that almost $1.5 billion will be provided to the Fund.

Charitable Gaming

- In Alberta, eligible charitable or religious groups can apply for and receive licences to conduct charitable gaming activities (paper bingo, casino table games, pull-tickets and raffles). In 2013-14, over 13,000 charities are expected to benefit from Alberta's charitable gaming activities. In 2011-12, charitable and religious organizations earned almost $314 million from charitable gaming events.

Unparalleled choice in gaming and liquor products

- Albertans enjoy unparalleled choice when it comes to liquor products. In 2011-12, Albertans could choose from over 16,000 liquor products.
- The AGLC provides Albertans with a wide variety of entertaining gaming products and the tools required to participate in gambling activities in a healthy manner.

Promoting healthy behaviours and reducing gambling and liquor-related harms

- The AGLC offers SMART training courses for staff serving alcohol and staff working in the gaming industry. The training courses, five in total, provide liquor and gaming staff with knowledge of laws, regulations, policies and safety tips for their patrons.

STRATEGIC DIRECTIONS

The AGLC's long-term strategy is separated into a number of themes, or strategic directions. Strategic directions guide the AGLC's business decisions and resource allocation. The following strategic directions are meant to carry the AGLC forward for the next three to five years.

1. Renew the charitable gaming model to ensure charities and communities continue to benefit from the changing Alberta landscape.

2. Use our understanding of customer groups to modernize and transform the gaming experience to broaden the player base and grow revenues in a sustainable way.

3. Streamline business processes and services and deliver them to customers through the most appropriate channel (with preference given to web-based service delivery).

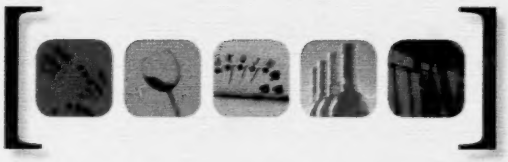
4. Invest in technology and continuously improve business practices to enhance business value, mitigate security risks, ensure accountability and protect revenue.

5. Foster a culture of moderation to prevent and reduce gambling and liquor related harm.

6. Leverage partnerships between the AGLC, other government ministries, jurisdictions and stakeholders to deliver better products, programs, and services.

7. Continue to build a culture where employees are empowered to actively identify, lead and implement change to increase organizational efficiency and effectiveness.

8. Communicate effectively with Albertans using current and emerging communications channels to maintain an active dialogue and raise awareness of AGLC programs and services.



THE AGLC'S CORE BUSINESSES

The AGLC has two core businesses – one related to liquor and another related to gaming.

CORE BUSINESS ONE - LIQUOR

Alberta differs from other provinces in that the private sector operates the product selection, distribution and retailing of liquor. The AGLC ensures stability in the liquor supply chain and is responsible for the licensing and regulation of all liquor activities in accordance with the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation and policy to ensure that liquor activities are conducted with integrity. The AGLC also promotes the responsible sale and consumption of liquor.

Goal 1: Maintain the integrity of Alberta's liquor industry

The AGLC conducts regular, on-site inspections to ensure that Alberta's liquor licensees and registrants comply with legislation and policy. Staff are also responsible for the licensing, registration and maintenance of reporting processes for Alberta's liquor operations. The organization also works with police services and other government ministries to investigate offences related to liquor in the province.

Business Priorities:

1.1 Continue to streamline liquor business processes to enhance customer service, including the modernization and enhancement of regulatory applications and reviewing and updating the AGLC's Enterprise Resource Planning System.

1.2 Review legislation and policies to ensure Alberta's liquor model continues to meet the expectations of industry and Albertans.

1.3 Implement recommendations from the AGLC's review of Class E Liquor Licensing (Manufacturing) policies.

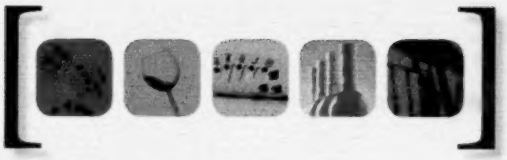
Performance Measures:

1.a Percentage of liquor licensees who comply with legislation, regulation and policy

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
94.3%	95.0%	95.0%	95.0%

1.b Percentage of Albertans satisfied that liquor is provided in a responsible manner

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
90.4%	91.0%	91.0%	91.0%



Goal 2: Encourage a culture of moderation to reduce alcohol-related harms

The AGLC designs programs, policies and strategies to promote healthy choices and the responsible use of liquor products in cooperation with the Ministry of Health and other stakeholders in the liquor industries. Programs and services offered to liquor licensees include ProServe and Protect, as well as the Best Bar None program.

Business Priorities:

2.1 Address the causes and impacts of violence in and around licensed premises and work towards improving safety in these premises in conjunction with the Safer Bars Council and other ministry partners and stakeholders.

2.2 Implement the Alberta Alcohol Strategy in partnership with government and industry stakeholders.

2.3 Partner with Alberta Health and Alberta Health Services to develop a long-term social marketing campaign to promote responsible drinking behaviour.

Performance Measures:

2.a Percentage of Albertans aware of prevention and harm reduction programs for problem drinking

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
N/A	88.0%	88.0%	88.0%

2.b Percentage of Albertans that drink alcohol in moderation

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
92.0%	92.0%	92.0%	92.0%

2.c Percentage of Albertans satisfied with the safety and security in and around licensed premises

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
91.0%	91.0%	91.0%	91.0%

Goal 3: Sustain the province's revenue from efficient liquor operations

Through its activities, the AGLC generates revenue for the province and the people of Alberta which contributes to the growth of Alberta's economy, the prosperity of communities, and the well-being and quality of life for Albertans.

The AGLC works hard to sustain the long-term economic benefits of liquor with its mandate to ensure social responsibility.

Business Priorities:

3.1 Ensure Alberta's liquor mark-up policy remains responsive and meets the needs of Albertans.

3.2 As part of a review of the Gaming and Liquor Regulation, review and make recommendations to ensure liquor licence and registration fees reflect the costs of providing the service.

3.3 Construct a new liquor warehouse and distribution facility and re-engineer the existing warehouse to improve operational efficiencies.

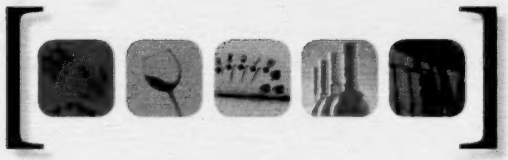
Performance Measures:

3.a Liquor and other net operating results (thousands of dollars)

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
687,118	708,415	720,090	734,171

3.b Percentage of Albertans satisfied with the selection of products at liquor stores

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
95.0%	95.0%	95.0%	95.0%



CORE BUSINESS TWO - GAMING

In Alberta, gaming is classified as either charitable gaming (includes table games, pull-ticket sales, raffles and bingo events) or provincial gaming (includes ticket lotteries, slot machines, video lottery terminals, and electronic bingo). The AGLC licenses and regulates all charitable gaming activities and conducts/manages provincial gaming activities. It is the AGLC's responsibility to ensure these gaming activities are provided in accordance with the *Criminal Code* (Canada) the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation, and policy. The AGLC is also committed to ensuring that all gaming activities are delivered in a manner that encourages responsible gaming and meets the needs of consumers and communities.

Goal 4: Maintain the integrity of Alberta's gaming industry

The AGLC conducts regular, on-site inspections to ensure that Alberta's gaming licensees comply with legislation and policy. Staff are also responsible for the licensing, registration and reporting processes for Alberta's gaming operations, as well as for conducting audits to maintain the financial integrity of the gaming industry. The organization also works with police services and other government ministries to investigate offences related to gaming in the province. The AGLC also ensures the security and integrity of all electronic gaming equipment.

Business Priorities:

4.1 Streamline business processes to enhance customer service.

4.2 Ensure Alberta's gaming initiatives support the AGLC's commitment to integrity.

4.3 Implement any recommendations stemming from stakeholder engagement activities.

Performance Measures:

4.a Percentage of charitable gaming activities conducted in accordance with legislation, regulation and policy

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
99.6%	99.0%	99.0%	99.0%

4.b Percentage of Albertans satisfied that the gaming activities they participated in were provided fairly and responsibly

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
94.3%	94.0%	94.0%	94.0%

4.c Percentage of gaming integrity issues resolved within established timeframes

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
96.5%	97.0%	97.0%	97.0%

Goal 5: Encourage the development of healthy gambling environments that minimize gambling-related harms

The AGLC is committed to providing gaming products and services in a responsible manner. On its own and in conjunction with industry partners, the AGLC has developed programs and initiatives intended to help gaming licensees and the public meet the social responsibility requirements set out in legislation, regulation and policy, including the provision of the following training programs: Deal Us In, Reel Facts, and A Good Call. AGLC staff also provide Responsible Gambling Information Centres in casinos and racing entertainment centres, and the setalimitalberta.ca website, with its responsible gambling tools and information.

Business Priorities:

5.1 In collaboration with Alberta Health Services and gaming stakeholders, support healthy gambling and the development of treatment options that meet the needs of Albertans.

5.2 In collaboration with other gaming jurisdictions across Canada, develop a national approach in best practice responsible gambling programs including the National Responsible Gambling Standards.

5.3 Implement strategies to prevent gambling harms and support responsible gambling in Alberta.

5.4 Pilot the VLT Standards and Accreditation Program.

5.5 Continue the implementation of the Both Sides of the Coin strategy through the work with the Alberta Responsible Gambling Advisory Committee.

Performance Measures:

5.a Percentage of Albertans aware of prevention and harm reduction programs for problem gambling

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
N/A	83.0%	83.0%	83.0%

5.b Percentage of Albertans that gamble responsibly

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
97.0%	97.0%	97.0%	97.0%

5.c Percentage of Albertans satisfied that licensed gaming venues are safe and responsible environments in which to gamble

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
69.1%	70.0%	70.0%	70.0%

Goal 6: Sustain revenues from gaming operations by responding to player expectations and changes in the environment

The AGLC sustains gaming revenues through the provision of top-quality gaming entertainment products for Alberta's gaming industry. It also provides support to the industry to ensure gaming retail networks and electronic gaming equipment is maintained.

6.1 Implement technology modernization strategies to achieve a player-centric gaming environment.

6.2 Develop distribution channels and invest in research, innovation and technology to meet player expectations and reflect the views and values of Albertans.

6.3 Renew the Alberta charitable gaming model to ensure it remains effective and efficient so charities and Albertans receive benefits from gaming.

6.4 Improve business processes to achieve operational efficiencies and increase effectiveness including updating the AGLC's Enterprise Resource Planning System.

6.5 Sustain gaming revenue by growing Alberta's player base in a responsible manner.

Performance Measures:

6.a Gaming net operating results (thousands of dollars)

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
1,471,014	1,483,671	1,495,911	1,502,995

6.b Percentage of Albertans satisfied with the availability of gaming products and services

2011-12 Actual	2013-14 Target	2014-15 Target	2015-16 Target
80.0%	80.0%	80.0%	80.0%

STATEMENT OF OPERATIONS

(thousands of dollars)	2011-12 Actual	2012-13 Budget	2013-14 Budget	2014-15 Target	2015-16 Target
Net Revenue					
Slots (includes E-Bingo)	$865,928	$796,173	$905,296	$915,069	$919,843
Video Lottery Terminals	499,573	494,470	526,493	529,597	532,653
Ticket Lottery	299,382	309,391	320,048	329,650	339,539
Liquor	708,761	715,202	740,090	751,191	762,459
Other Income	13,262	15,811	16,481	18,581	22,981
	2,386,906	2,331,047	2,508,408	2,544,088	2,577,475
Operating Expenses	214,613	293,513	306,322	318,087	330,309
Loss on Pension Liability	14,161	-	10,000	10,000	10,000
Net Operating Results	$2,158,132	$2,037,534	$2,192,086	$2,216,001	$2,237,166

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